Registered no: 2703310

England and Wales

Orange Business Integration UK Limited

Annual report and financial statements for the year ended 31 December 2013

Orange Business Integration UK Limited

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Directors and other information

Board of Directors

K Van den Eynde
M Kenealy

Co-Secretaries

T Dhillon
I Solanke

Registered Office

Betjeman Place
217 Bath Road
Slough
SL1 4AA

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Orange Business Integration UK Limited

Strategic report
for the year ended 31 December 2013

The directors present their strategic report of the company for the year ended 31 December 2013.

Principal activities

The principal activities of the company are the provision of support services to other group companies.

The directors do not anticipate any significant changes in the company's activities in the foreseeable future.

Business review and future outlook

In pursuance of the global Orange Business Services (OBS) Strategy, the management announced Project Zebra on April 23, 2014. Project Zebra is a Europe-wide OBS group reorganization strategy pursuing a customer centric European business and location model that is focused on digital, performance, simplification and sales. The program is designed to achieve organizational simplification and improve effectiveness whilst maintaining customers' trust, investing in future skill and working smarter. It was announced that a total of 90 positions will be made redundant throughout the UK businesses, which is expected to complete in the second half of 2014. The activities of the company are consolidated into the Enterprise Division of Orange SA.

The management reviews the below key performance indicators specific to Orange Business Integration UK Limited on a standalone basis. All other key performance indicators are set and reviewed at the Enterprise Division level, results of which are included in the consolidated financial statements of the ultimate parent company, Orange SA.

	2013 (£000)	2012 (£000)
Turnover	**25,693**	27,970
Operating Profit/(loss)	**41**	(1,977)
Loss for the financial year	**(95)**	(1,495)
Shareholders' deficit	**(9,854)**	(9,759)
Current assets as % of current liabilities	**74.8%**	67.9%
Average number of employees	**177**	196

On behalf of the Board

M Kenealy
Director

15 August 2014

Orange Business Integration UK Limited

Directors' report
for the year ended 31 December 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

Results and dividends

The net loss of the company for the year ended 31 December 2013 is £95,000 (2012: £1,495,000). The directors do not recommend the payment of a dividend for the year ended 31 December 2013 (2012: £nil).

Principal risks and uncertainties facing the business

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. The activities of the company are consolidated into the Enterprise Division of Orange SA. The company applies the same internal control mechanism as adopted by Orange SA. The risks and uncertainties facing the business are also similar to those which face the Enterprise Division of Orange SA and these risks are discussed in the Orange SA group's Annual Report which does not form part of this report but is publically available.

The company is financed by other group companies and has no third party debt.

Financial risk management objectives and policy

The risks are similar to those of the Enterprise Division of Orange SA. These risks are discussed in the group's Annual Report which does not form part of this report.

Going concern basis

After making enquiries, and having assessed the commitment of effective support available from the ultimate parent company, the directors have formed a judgement, at the time of approving the financial statements, that there is no reason to believe that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The directors, therefore, have a reasonable expectation that the company has access to adequate resources to continue in operation for the foreseeable future. The Directors note that the company participates in the group's centralised funding and cash pooling arrangements with its ultimate parent and fellow subsidiaries, and hence has access to sufficient funding and resources to meet its current obligations and expenditure needs for the foreseeable future. The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook and accordingly have adopted the going concern basis in preparing the financial statements.

Directors

The directors, who served throughout the year and subsequently, were as follows:

K Van den Eynde
M Kenealy

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company recognises and respects the statutory requirements to consult with employees and aims to:

- begin consultation as early as possible;
- allow for longer than the statutory period of consultation, wherever practicable; and
- utilise the knowledge of employee representatives to make better decisions.

The company holds regular meetings with employees which are attended by Human Resources (HR) and employee representatives. The aim is of ensuring that their views are taken into account when decisions are made that are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business unit and of the company as a whole. Communication with all employees continues through the in-house intranet and the issue of a daily news summary via email.

Orange Business Integration UK Limited encourages the involvement in the company's performance through the payment of a company bonus which is made upon the achievement of certain individual and company objectives.

Employee representatives are nominated and elected annually through public ballot. The company's aim is to have at least one employee representative per 100 staff.

An Employee Representative Agreement has been implemented between the Employee Representative Group and Regional HR in the UK for consultation from 5 April 2004. The agreement will be reviewed annually and documents procedures for employee consultation on the following key areas:

- redundancy programmes;
- harmonisation of terms and conditions;
- health and safety;
- organisational changes; and
- information and consultation on decisions likely to lead to substantial changes in work organisation or contractual relations.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware there is no relevant audit information of which the company's auditor is unaware. Having made enquiries of fellow directors and of the company's auditor, each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Ernst & Young LLP were appointed on 25 January 2010 and have expressed their willingness to continue in office as auditor.

On behalf of the Board

M Kenealy
Director

15 August 2014

Orange Business Integration UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Orange Business Integration UK Limited

We have audited the financial statements of Orange Business Integration UK Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Orange Business Integration UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Neil Cullum (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

15/8/2014

Orange Business Integration UK Limited
Registered Number: 2703310

Profit and loss account for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Turnover	2	**25,693**	27,970
Administrative expenses		**(25,652)**	(29,947)
Operating profit/(loss)	5	**41**	(1,977)
Interest receivable	6	**-**	2
Interest payable and similar charges	7	**(197)**	(328)
Loss on ordinary activities before taxation		**(156)**	(2,303)
Tax on loss on ordinary activities	8	**61**	808
Loss for the financial year	15, 16	**(95)**	(1,495)

All the above amounts are in respect of continuing activities.

The company has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Orange Business Integration UK Limited
Registered Number: 2703310

Balance sheet
at 31 December 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	9	**1,712**	2,230
Current assets			
Debtors	10	**13,134**	11,337
Cash at bank		**57**	56
		13,191	11,393
Creditors: amounts falling due within one year	11	**(17,629)**	(16,774)
Net current liabilities		**(4,438)**	(5,381)
Total assets less current liabilities		**(2,726)**	(3,151)
Creditors: amounts falling due after more than one year	12	**(542)**	(657)
Provisions for liabilities	13	**(6,586)**	(5,951)
Net liabilities		**(9,854)**	(9,759)
Capital and reserves			
Called-up share capital	14	**45,733**	45,733
Profit and loss account	15	**(55,587)**	(55,492)
Total shareholders' deficit	16	**(9,854)**	(9,759)

Approved by the Board:

M Kenealy
Director

15 August 2014

Orange Business Integration UK Limited

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards.

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future and accordingly have adopted the going concern basis in preparing the financial statements. This judgement is formed in light of the restructuring exercise undertaken by the company's ultimate parent company, in the recent prior year, in which the company and its parent company received additional equity share capital. Further, the company participates in the group's centralised funding and cash pooling arrangements with its ultimate parent and fellow subsidiaries. The directors also believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors, having assessed the responses of the directors of the company's parent Orange Business Holdings UK Limited to their enquiries, and the letter of support received, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Orange Business Holdings group to continue as a going concern.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation of the financial statements, except as noted below.

Cash flow statement and related party transactions

The company is included in the group financial statements of Orange SA which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1 (revised).

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Orange SA group, the ultimate parent company, or investees of the Orange SA group.

Assets in the course of construction

Costs that are directly attributable to the development of new assets and which are incurred during the year prior to the date that the asset is placed into operational use, are capitalised. No depreciation is charged on assets in the course of construction until the asset is brought into operational use.

Finance costs directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets.

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase cost, together with any incidental costs of acquisition, less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following basis:

	Method	**Rate**
Leasehold improvements	Straight line	Period of lease
Computer equipment and software	Straight line	$33^1/_3$% per annum
Office equipment and furniture	Straight line	20 - $33^1/_3$% per annum
Other tangible assets	Straight line	10% per annum

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1 Accounting policies (continued)

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

Operating and finance leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the shorter of the period of the lease and the related asset's useful life.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

1 Accounting policies (continued)

Pension scheme arrangements

The company contributed to two defined benefit schemes during the year; the Equant Pension Scheme, and the Sprint International (UK) Limited Retirement Benefits Plan, that were terminated on 31 July 2011.

Both schemes operate for employees at a number of companies and as such, Orange Business Integration UK Limited is unable to identify its share of the underlying assets and liabilities of the schemes. The company is therefore accounting for the schemes as if they were defined contribution schemes.

Under FRS 17 the actual cost of providing pensions to the company is charged to the profit and loss account as incurred during the year.

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 Turnover

The turnover and loss on ordinary activities before taxation are wholly attributable to the principal activity of the company which arises solely in Europe.

3 Directors' emoluments

The remuneration paid to directors was:	**2013**	2012
	£000	£000
Aggregate emoluments	**384**	417
Pension contributions	**22**	22
	406	439

During the year retirement benefits were accruing to no director (2012: nil) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £258,000 (2012: £291,000) from another group company and that company made £13,000 (2012: £13,000) pension contributions on his behalf.

The emoluments of one (2012: one) of the directors of this company were paid and borne by another group company.

4 Employee information

Staff costs, including directors' remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	14,934	16,383
Social security costs	1,784	2,005
Pension costs - Equant scheme (see note 17a)	-	956
Pension costs - Sprint scheme (see note 17b)	-	909
Pension costs - Defined contribution scheme (see note 17c)	941	1,008
	17,659	21,261

The average monthly number of employees, including directors, during the year was as follows:

	2013 Number	2012 Number
Distribution	61	68
General and administration	45	52
Sales and marketing	71	76
	177	196

5 Operating loss

	2013 £000	2012 £000
Operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets - owned by the company	565	606
Loss on disposal of tangible fixed assets	206	-
Auditor's remuneration – audit of the financial statements	30	31
Operating lease rentals		
- land and buildings	3,203	3,203
- other	132	154
Difference on foreign exchange	14	(17)

6 Interest receivable and similar income

	2013 £000	2012 £000
Other interest	-	2
	-	2

7 Interest payable and similar charges

	2013 £000	2012 £000
Interest payable to group undertakings	**103**	86
Finance charge from unwinding of lease exit provision (Note 13)	**94**	242
	197	328

8 Tax on loss on ordinary activities

	2013 £000	2012 £000
Current year tax	**(48)**	(580)
Tax over provided in previous years	**(13)**	(228)
Total current tax credit	**(61)**	(808)

a) Reconciliation of the current year tax credit

The current tax credit for the year differs from the credit using the standard rate applying in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	**(156)**	(2,303)
Loss on ordinary activities at the United Kingdom tax rate of 23.25% (2012: 24.5%)	**(36)**	(564)
Effects of:		
Expenses not deductible for tax purposes	**36**	70
Excess of capital allowances over depreciation	**(12)**	(83)
Other timing differences	**(36)**	(3)
Tax over provided in previous years	**(13)**	(228)
Total current tax credit	**(61)**	(808)

The prior year tax income relates to the revision of previously estimated tax and the benefit of payment for tax losses surrendered to other group companies.

8 Tax on loss on ordinary activities (continued)

b) Deferred tax

	2013 £000	2012 £000
Excess of capital allowances over depreciation	**477**	542
Tax losses carried forward	**298**	343
Other short term timing differences	**51**	94
Total deferred tax asset not recognised	**826**	979

The deferred tax asset has not been recognised because, on the basis of all available evidence, it is regarded more likely than not that there will not be any suitable taxable profits in the future from which the reversal of underlying timing differences can be deducted.

Deferred tax assets have been measured at the rate of 20% (2012: 23%).

The main rate of corporation tax reduced to 21% with effect from 1 April 2014 and will reduce to 20% with effect from 1 April 2015 as enacted in Finance Act 2013. Since the rates have been enacted at the balance sheet date they are reflected in the closing deferred tax balances.

9 Tangible fixed assets

	Leasehold Improvements £000	Computer equipment and software £000	Office equipment and furniture £000	Other tangible assets £000	Assets in the course of construction £000	Total £000
Cost						
At 1 January 2013	8,933	50,889	2,212	733	44	62,811
Transfers	32	169	-	84	(285)	-
Additions	-	-	-	-	253	253
Disposals	(363)	-	-	-	-	(363)
At 31 December 2013	8,602	51,058	2,212	817	12	62,701
Depreciation						
At 1 January 2013	7,054	50,687	2,211	629	-	60,581
Charge for year	281	238	1	45	-	565
Disposals	(157)	-	-	-	-	(157)
At 31 December 2013	7,178	50,925	2,212	674	-	60,989
Net book value						
At 31 December 2013	**1,424**	**133**	**-**	**143**	**12**	**1,712**
At 31 December 2012	1,879	202	1	104	44	2,230

10 Debtors

	2013	2012
Amounts falling due within one year:	£000	£000
Trade debtors	15	27
Amounts owed by group undertakings	10,066	8,788
Other debtors	62	147
VAT recoverable	271	162
Amounts receivable in respect of group tax relief	1,794	1,944
Prepayments and accrued income	926	269
	13,134	11,337

11 Creditors: amounts falling due within one year

	2013	2012
	£000	£000
Bank overdrafts	12,680	10,609
Trade creditors	1,442	342
Amounts owed to group undertakings	20	720
Other taxation and social security	391	858
Other creditors	14	291
Accruals and deferred income	3,082	3,954
	17,629	16,774

12 Creditors: amounts falling due after more than one year

	2013	2012
	£000	£000
Accruals and deferred income	542	657
	542	657

13 Provisions for liabilities

	2013 Property £000	2013 Dilapidations £000	2013 Other £000	2013 Total £000
At 1 January	4,373	1,428	150	5,951
Charged/(released) to profit and loss account	1,244	(639)	(64)	541
Unwinding of discount	53	41	-	94
At 31 December	5,670	830	86	6,586

The property provision consists of a lease exit provision relating to 215 and 217 Bath Road, Slough. The lease on this property expires in March 2019. Provision is made for the rent, rates and utilities costs to the end of the lease. This has been provided using a discount rate of 1.69%. There is an assumption that the unoccupied part of the properties will be fully sub-let from April 2015.

The dilapidations provision represents a leasehold premises exit obligation to return buildings to their original condition. These are expected to be utilised on exit of individual leases. The obligation is created on entry to the leasehold premises with a regular review of the exit obligation undertaken.

14 Share capital

	2013 Number	2012 Number	2013 £000	2012 £000
Authorised				
Ordinary shares of £1 each	45,733,100	45,733,100	45,733	45,733
Allotted, called up and fully paid				
Ordinary shares of £1 each	45,733,100	45,733,100	45,733	45,733

15 Profit and loss reserve

	2013 £000	2012 £000
At 1 January	(55,492)	(53,997)
Loss for the financial year	(95)	(1,495)
At 31 December	(55,587)	(55,492)

16 Reconciliation of movement in total shareholders' deficit

	2013 £000	2012 £000
Opening shareholders' deficit	(9,759)	(8,264)
Loss for the financial year	(95)	(1,495)
Closing shareholders' deficit	**(9,854)**	(9,759)

17 Pension commitments

During the year the company provided pensions through two defined benefit pension schemes and one defined contribution pension scheme. The defined benefit pension schemes, the Equant Pension Scheme and the Sprint International (UK) Limited Retirement Benefits Plan, both of which are multi-employer defined benefit schemes spanning a number of UK entities, were terminated on 31 July 2011.

For the year ended 31 December 2013 the company is unable to identify its share of the underlying assets and liabilities of the two schemes on a consistent and reliable basis since contributions are set for the schemes as a whole rather than reflecting the actuarial characteristics of the employees of the individual company. The company is therefore accounting for the schemes as if they were defined contribution schemes.

17 Pension commitments (continued)

a) Equant Pension Scheme

The Equant Pension Scheme provides benefits based on final pensionable pay and service at 31 July 2011 (the date the accrual of future benefits ceased). It is set up under a trust which holds the assets of the scheme separately from the company. Currently it is not possible to identify the company's share of those assets. The company pays fixed contributions to the Scheme which are charged directly to the profit and loss account.

The last formal actuarial valuation of the Equant Pension Scheme was completed as at 1 January 2011. At the date of that valuation the actuarial value of the assets in the scheme was sufficient to cover 76% of the accrued benefits of the members (corresponding to a deficit of £28.3 million) as assessed using the following assumptions:

LPI pension increases	3.30% pa
Fixed rate pension increases	5.00% pa
Post 88 GMP pension increases	2.25% pa
RPI inflation	3.55% pa
CPI inflation	2.80% pa
Discount rates	6.20% pa pre-retirement/4.60% post-retirement
Overall investment return	6.50% pa
Mortality rates pre-retirement	AMC00/AFC00 with CMI_2010_ (1.25%) future improvements from 2008 based on each member's year of birth for males/females
Mortality rates post-retirement	90% of S1PMA_L with CMI_2010_ (1.25%) future improvements from 2008 based on each member's year of birth for males and 80% of S1PFA_L with CMI_2010_ (1.25%) future improvements from 2008 based on each member's year of birth for females

Under the deficit recovery plan, Orange Business Holdings UK Limited contributes £3,051,000 per annum in total, from 1 June 2012 to the Equant Pension Scheme. This is payable until 31 December 2020. Orange Business Holdings UK Limited currently pays the full amount of the expenses of running the Scheme, which amounted to £320,000 in 2013.

As a result, the total pension contributions paid by Orange Business Integration UK Limited, for the year were £nil (2012: £956,000). Accrued pension costs at 31 December 2013 were £nil (2012: £72,000).

17 Pension commitments (continued)

b) Sprint Plan

The Sprint International (UK) Limited Retirement Benefits Plan (the 'Plan') provides benefits based on final pensionable and is set up under a trust which holds the assets of the Plan separately from the company. Currently, it is not possible to identify the company's share of those assets. The company pays contributions to the Plan at a fixed contribution rate, which is charged directly to the profit and loss account.

The last formal actuarial valuation of the Sprint International (UK) Limited Retirement Benefits Plan was prepared as at 6 April 2012. At the date of the valuation the actuarial value of the assets in the scheme was sufficient to cover 77% of the accrued benefits of the members, after allowing for projected salaries on the basis of the following assumptions:

Staff		
Pension increases (to 1990)		3.30% pa
Pension increases (1990 – 1997)		3.00% pa
Pension increases (1997 – 2005)		3.70% pa
Pension increases (2005 onwards)		2.20% pa
Executives		
Pension increases		5.00% pa
Discount rate	post-retirement	4.35% pa
	pre-retirement	4.35% pa
Expected return on assets		4.35% pa
Price inflation (RPI)		3.50% pa
Price inflation (CPI)		2.75% pa
Mortality rates		90% S1NMA 'light' tables for males and 80% S1NFA 'light' tables for females
Mortality improvements		CMI 2010 projection model with 1.25% p.a. long term improvement rate

The Plan closed to future accrual with effect 31 July 2011 and therefore no further contributions to the Plan were payable by members or by employers in respect of employment after 1 August 2011.

A valuation of the Plan was carried out as at 6 April 2012. Orange Business Holdings UK Limited is making contributions of £108,670 per month with effect from 1 July 2013. Orange Business Holdings UK Limited contributed £158,670 per month from 1 January 2013 to 30 June 2013. Since 1 July 2013, Orange Business Holdings UK Limited has paid the full amount of the expenses of running the scheme amounting to £14,167 per month.

The total pension contributions, including the deficit recovery plan, for the year were £nil (2012: £909,000). Accrued pension costs at 31 December 2013 were £nil (2012: £76,000).

17 Pension commitments (continued)

c) Defined contribution schemes

The company also contributes to the Equant Defined Contribution Payment Plan. The pension cost for the year ended 31 December 2013 was £941,000 (2012: £1,008,000). At 31 December 2013 there was £75,000 of outstanding contributions (2012: £81,000).

18 Subsequent events

In pursuance of the global Orange Business Services (OBS) Strategy, the management announced Project Zebra on April 23, 2014. Project Zebra is a Europe-wide OBS group reorganization strategy pursuing a customer centric European business and location model that is focused on digital, performance, simplification and sales. The program is designed to achieve organizational simplification and improve effectiveness whilst maintaining customers' trust, investing in future skill and working smarter. It was announced that a total of 90 positions will be made redundant throughout the UK businesses, which is expected to complete in the second half of 2014. The activities of the company are consolidated into the Enterprise Division of Orange SA.

19 Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		**Other**	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Within one year	**-**	-	**42**	15
In two to five years	**-**	-	**39**	87
Over five years	**3,203**	3,203	**-**	-
Total	**3,203**	3,203	**81**	102

20 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Orange Business Holdings UK Limited.
The parent of the smallest group in which the results of the company are consolidated, for the year ended 31 December 2013, was Orange Business Services Participations SA, a company incorporated in France. The financial statements of this company can be obtained from Orange Business Services Participations SA, 78 rue Olivier de Serres, Paris 75015, France.

The largest group which includes the results of Orange Business Integration UK Limited and for which group consolidated financial statements have been prepared is Orange SA, a company incorporated in France. In the directors' opinion this is also the ultimate parent and controlling party. The financial statements of this company can be obtained from Orange SA, 78 rue Olivier de Serres, Paris 75015, France.